

107TH CONGRESS
1ST SESSION

H. R. 746

To amend the Federal Deposit Insurance Act to require periodic cost of living adjustments to the maximum amount of deposit insurance available under such Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 2001

Mr. HEFLEY (for himself, Mr. GILLMOR, Mr. JONES of North Carolina, Mrs. JONES of Ohio, Mrs. KELLY, Mr. RILEY, Mr. BOSWELL, Mr. COMBEST, Mr. STENHOLM, Ms. BALDWIN, Mr. BERRY, Mr. BOUCHER, Mr. BRYANT, Mr. DAVIS of Illinois, Ms. DEGETTE, Mr. DOYLE, Mr. EDWARDS, Mrs. EMERSON, Mr. GOODE, Mr. GORDON, Mr. HILL, Mr. HINOJOSA, Mr. ISTOOK, Mr. JOHNSON of Illinois, Mr. LAHOOD, Mr. LATHAM, Mr. MCINNIS, Mr. NETHERCUTT, Mr. NORWOOD, Mr. OSBORNE, Mr. PETERSON of Pennsylvania, Mr. RUSH, Mr. SCHAFFER, Mr. SESSIONS, Mr. SMITH of New Jersey, Mr. TANCREDO, Mr. TERRY, Mr. THUNE, and Mr. UDALL of Colorado) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Federal Deposit Insurance Act to require periodic cost of living adjustments to the maximum amount of deposit insurance available under such Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Federal Deposit Insur-
3 ance Corporation Adjustment Act”.

4 **SEC. 2. PERIODIC ADJUSTMENT TO MAXIMUM AMOUNT OF**
5 **DEPOSIT INSURANCE COVERAGE.**

6 (a) IN GENERAL.—Section 11(a)(1) of the Federal
7 Deposit Insurance Act (12 U.S.C. 1821(a)(1)) is amended
8 by striking subparagraph (B) and inserting the following
9 new subparagraph:

10 “(B) NET AMOUNT OF INSURED DE-
11 POSIT.—

12 “(i) IN GENERAL.—Subject to clause
13 (ii), the net amount due to any depositor
14 at an insured depository institution shall
15 not exceed \$100,000, as determined in ac-
16 cordance with subparagraphs (C) and (D).

17 “(ii) INFLATION ADJUSTMENT.—As of
18 the 1st day of the 3-year period beginning
19 on January 1, 2002, and the 1st day of
20 each subsequent 3-year period, the max-
21 imum net amount due to any depositor at
22 an insured depository institution under
23 clause (i) shall be increased by the product
24 of—

25 “(I) the amount described in
26 clause (i); and

1 “(II) the cost of living adjust-
2 ment determined under section 1(f)(3)
3 of the Internal Revenue Code of 1986
4 at the beginning of each such 3-year
5 period, in accordance with clause (iii).

6 “(iii) RULE OF APPLICATION.—Sec-
7 tion 1(f)(3)(B) of the Internal Revenue
8 Code of 1986 shall be applied, for purposes
9 of clause (ii) of this subsection, by sub-
10 stituting ‘calendar year 1980’ for ‘calendar
11 year 1992’.

12 “(iv) ROUNDING.—If the amount de-
13 termined under clause (ii) for any period is
14 not a multiple of \$1,000, the amount so
15 determined shall be rounded to the nearest
16 \$1,000.

17 “(v) PUBLICATION.—Not later than
18 January 15 of the 1st year of each 3-year
19 period referred to in clause (ii), the Board
20 of Directors shall publish in the Federal
21 Register the maximum net amount which
22 may be due to any depositor at an insured
23 depository institution during such 3-year
24 period.”.

25 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

1 (1) Paragraphs (2)(A) and (3)(A) of section
2 11(a) of the Federal Deposit Insurance Act (12
3 U.S.C. 1821(a)) are each amended by striking
4 “\$100,000” and inserting “the amount determined
5 under paragraph (1)(B)”.

6 (2) Paragraph (6) of section 11(m) of the Fed-
7 eral Deposit Insurance Act (12 U.S.C. 1821(m)) is
8 amended by striking “\$100,000” and inserting “the
9 amount determined under subsection (a)(1)(B)”.

10 (3) The following provisions of the Federal De-
11 posit Insurance Act are each amended by striking
12 “\$100,000” and inserting “the amount determined
13 under section 11(a)(1)(B)”.

14 (A) Paragraphs (1) and (3) of section 7(i)
15 (12 U.S.C. 1817(i)).

16 (B) Subsection (d) of section 43 (12
17 U.S.C. 1831t).

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